

## **RECORD OF DISCUSSIONS**

### **Environment Committee**

### **U.S.-Russian Joint Commission on Economic and Technological Cooperation**

**May 29-30, 1996**

**Moscow, R.F.**

In connection with the upcoming seventh meeting of the U.S.-Russian Joint Commission on Economic and Technological Cooperation (Gore-Chernomyrdin Commission--GCC), a meeting of the Environment Committee took place May 29-30, 1996, in Moscow. At this meeting, the two sides took stock of bilateral cooperation in the area of environmental protection, outlined plans for further joint work, and reviewed documents to be presented by the Committee to the July session of the GCC.

The U.S. delegation was headed by William A. Nitze, Assistant Administrator for International Activities, U.S. Environmental Protection Agency (EPA). The Russian delegation was headed by Yuriy N. Yudinsev, Deputy Minister, R.F. Ministry of Environmental Protection and Natural Resources (Minprirody). A full list of participants is attached.

#### **I. Global Environmental Issues**

##### **a. Stratospheric Ozone Depletion**

The Russian side reported on the progress made in meeting its obligations under the Montreal Protocol. In May the Global Environment Facility approved a second tranche (\$30m) to encourage alternatives to ozone depleting substances (ODS) in Russian industry, subject to submission of responses to questions from the Protocol Implementation Committee. A representative of the R.F. Center for Preparation and Implementation of International Projects on Technical Assistance (CPPI) reported on implementation of the project, "Phased Reduction of Production and Consumption of Ozone-Depleting Substances (ODS)," being financed under a GEF grant (\$60 million). It was recognized that the U.S. Trade and Development Agency will fund a related feasibility study on elimination of Russian halon production. The Environment Committee agreed that the next meeting of the Protocol Implementation Committee in August and prospective donors' "round table" in September warrant high-level representation from both countries.

The Committee noted the importance of a Russian decree (#563) on measures to combat export and import of illicit CFCs. However, it was emphasized that the most effective measure for regulation and control of CFCs is, above all, reducing their production and consumption. The Russian side declared its readiness to undertake working-level contact to clarify issues that may arise and to coordinate positions of the two sides.

## **b. Climate Change**

At its second meeting in Moscow May 20-21, 1996, the Climate Change Policy Working Group (CPG) focused on new climate research opportunities, the next phase of the US/Russia Country Study, joint implementation of measures to limit or reduce greenhouse gas emissions, the role of non-governmental organizations, and common objectives at the Second Conference of the Parties (COP II) under the Framework Convention on Climate Change (FCCC). Budget permitting, five new areas will be considered for joint research under the auspices of Area VIII of the U.S-Russian Agreement on Cooperation in the Area of Protection of the Environment and Natural Resources: forecasts based on satellite data; global monitoring of surface ocean temperatures; influence of permafrost on short-term climate change; hydrological processes in the atmosphere and their influence on climate change; and the role of the Arctic in the climate system.

A joint monograph summarizing the latest results of climate change research and outlining future research directions will be prepared over the next 1-2 years and published both in English and Russian. Two Country Study Progress Reports were completed since the first CPG meeting in December 1995, including an inventory for greenhouse gas emission sources and sinks, assessments and implementation strategies for reduction and/or prevention of undesirable consequences of climate change. A workplan for the Russian National Climate Change Action Plan Report was also prepared. The Environment Committee recognized the contributions of Russian and American Area VIII scientists in carrying out the Russian and U.S. Country Studies.

Joint implementation (JI) of new investments to limit or reduce emissions and increase carbon sequestration will be extended to the agricultural, forestry, industrial, and power sectors and featured in the Country Study and National Action Plan. During the CPG session, the sides agreed on a draft "Joint Statement of Intent on Joint Implementation of Measures to Reduce Emissions of Greenhouse Gases." The Committee approves the draft and supports its presentation for signature at the next GCC session in July.

In this context, a US/Russia "business roundtable" is proposed for the end of 1996 in Moscow to draw the attention of business circles and non-governmental organizations in Russia and the U.S. to the joint projects under way, and to help identify, and generate interest in investing in, new JI opportunities. Progress reports were made on both approved projects (RUSAFOR on reforestation, Saratovskaya Oblast, and RUSAGAS, gas pipeline/compressor upgrade, Volgogradskaya Oblast); projects under review (Zelenograd district heating, Vologodskaya Oblast forest planning/restoration) were also discussed.



Reaffirming a key role of the CPG, bilateral contacts will be increased during June to better facilitate achievement of common objectives in multilateral negotiations at COP II and other fora. The Committee complemented CPG for the substantive progress made since the first meeting in December 1995. The third working group meeting is tentatively scheduled for the end of November in Washington, DC, at which time a special session with American NGOs will be organized to consider possibilities of more actively engaging them in efforts to address climate change.

## **II. Sustainable Management of Natural Resources**

The Committee noted with satisfaction the April 1, 1996 decree of the President of the Russian Federation confirming Russia's Conceptual Outline for the Transition to Sustainable Development. According to this decree, Minprirody, in consultation with other R.F. government agencies, will produce an implementing plan by year's end. The Committee also welcomed the recent initiative of the U.S. Secretary of State to further incorporate principles of environmental protection and sustainable development in U.S. foreign policy. Both sides are committed to further cooperation on this topic in bilateral and multilateral fora.

The Committee welcomed the decision of the GEF to provide a grant of \$20 million for the support of biodiversity conservation in Russia. This grant will be administered by Minprirody and will be coordinated with activities supported by other bilateral and multilateral donors. In this connection, it was agreed to consider using a portion of resources from the GEF grant to support cooperative activities with the U.S. National Park Service (NPS) and other U.S. government agencies in areas (e.g., forest fire management training in protected natural territories; environmental education training in parks/zapovedniks) where the latter have relevant experience and expertise.

NPS, Minprirody, and the Federal Forestry Service have endorsed the establishment of "twinning" arrangements between individual components of the U.S. national park system and specific zapovedniks and national parks in Russia. The first such arrangements will pair Voyageurs National Park in Minnesota with Kostomuksha Zapovednik in the Republic of Karelia, and Cape Cod National Seashore in Massachusetts with Kurshskaya Kosa National Park in Kaliningrad Oblast. Organizational conditions for creating and operating this system will be defined and formalized in the framework of cooperation under Area IV of the June 1994 Bilateral Environmental Agreement.

The Committee heard a report from the Russian side on the draft Forest Code currently under consideration in the R.F. State Duma. It is anticipated that the new Code will clarify ownership and strengthen management of Russia's forest resources in ways consistent with the 1993 R.F. Constitution and with the country's transition to a sustainable development model. The Committee took special note of provisions for lease concessions to private operators for the harvesting of timber on the basis of competitions organized by regional authorities within the framework of federal guidelines. It was noted that the draft Forest



Code will not affect the management of forest resources within zapovedniks and national parks.

The Committee also heard a report on behalf of Roslesprom concerning commercial cooperation under the January 1996 framework agreement with the U.S. Export-Import Bank on support of projects in the forest products sector. Discussion of this topic included the role of Minprirody and the Russian Federal Forest Service in the review of such projects prior to their approval in accordance with R.F. legislation, and the need to coordinate the activity of Russian and American government agencies in assessing the environmental impact of investment projects. In autumn 1996, a visit of U.S. industry representatives is envisioned to the Russian Far East for purposes of further developing commercial relations in the forest products industry, under the auspices of the GCC Business Development Committee.

The U.S. side reported that the American Forest and Paper Association has formulated and is translating into Russian its "Principles and Implementation Guidelines for Sustainable Forestry," and will make this document available by the next GCC session. The Russian text will be forwarded to Minprirody for circulation to other R.F. government agencies.

Specialists from the "Priroda" Center of the Russian Federal Service for Geodesy and Cartography (Roskartografia) presented the Committee a history, explanation, and computer assisted demonstration of a comprehensive geographic information system (GIS) for the Lake Baikal region, developed in collaboration with the U.S. Geological Survey. Satellite imagery has been digitally mapped and is now being made available to regional organizations responsible for sustainable land management and planning. This example reveals possibilities for applying GIS technology as information support for land-use policies aimed at sustainable development of territories. A representative of the Buryat Regional Department for Lake Baikal demonstrated a GIS for the Selenga Delta. The Committee noted that the Baikal GIS program represents an excellent example of bilateral cooperation supporting R.F. federal and regional specialists in the development of sophisticated tools for environmental planning and analysis.

### **III. Environmental Security in the Arctic**

At an April meeting in Moscow on the trilateral project to expand and modernize the Murmansk plant for processing low-level liquid radioactive wastes, all parties have agreed on a business plan for the construction phase of the project. Of a total estimated cost of \$2.2 million, the combined U.S.-Norwegian contribution will be \$1.5-\$1.6 million, with the Russian government providing the remaining \$600K. Construction will start in July of this year and will run 12-15 months. Financing from the Russian federal budget has begun; the flow of U.S. and Norwegian funds is expected to begin by the end of June after resolution of certain taxation issues.

The Russian side notes that assistance from the U.S., Norway, and Japan on the LRW



problem has entered the practical phase, and that this fact will be taken into account in Russia's report at the September meeting of parties to the London Convention.

The Committee heard a report on prospects for expansion of cooperation under two programs, Arctic Military Environmental Cooperation (AMEC) and Arctic Nuclear Waste Assessment Program (ANWAP). A trilateral agreement formalizing AMEC is expected to be signed during a September meeting in Murmansk of the heads of defense ministries of the U.S., Norway, and Russia. The AMEC secretariat has received over 30 proposals in the first round. U.S. funding prospects will not be certain until a FY97 defense appropriation is passed by Congress and signed by the President. Both sides hope that projects to be supported under AMEC will include a balance between studies, surveys, etc., and applied engineering solutions. Special efforts will also be made to avoid duplication of research being supported under other bilateral and multilateral programs. The Environment Committee reaffirmed its willingness to support AMEC within the GCC framework.

As regards ANWAP, the Committee is hopeful that funding will be restored in FY97 and that it will be possible at that time to provide financial support for research directly to Russian institutes. It is also hoped that studies of non-radioactive contaminants (esp. heavy metals and organics) will be included in this program. Assuming funding becomes available, ANWAP's management expects to announce a call for proposals toward the end of this year.

The Russian side reported on the existing system for evaluating environmental impact and carrying out environmental impact assessments in Russia. The basic legal document in this area is the R.F. federal law, "On Environmental Assessment," adopted in November 1995. The new law governs both governmental and public environmental assessment.

The Russian side likewise brought to the attention of Committee members the discussions under way among Minprirody, the R.F. Ministry of Fuels and Energy, and the World Bank on financing preparation of a package of normative documents on environmental operations in the development of oil and gas deposits in the Russian Arctic. The Norwegian government has already allocated funds to carry out the first stage of this effort. The U.S. Minerals Management Service may participate in this project. The Committee welcomed this development and noted that such joint work, if implemented, would be consistent with the goals of sustainable development and environmental security in the Arctic.

#### **IV. Environmental Technical Assistance**

The Committee heard a report on implementation of the Environmental Policy and Technology (EPT) Project funded by USAID, and on plans for 1996-97. In March 1996, Minprirody and USAID jointly sponsored a seminar on replication of the results achieved under the EPT Project in other cities and regions of Russia. The participants agreed on the need for a special program to replicate the experience and results of the EPT Project, "Replication of Lessons Learned" (ROLL). At the seminar, it was decided to form an



Interagency Advisory Council (IAC) to oversee implementation of the ROLL Program. The Interagency Advisory Council will include representatives from various R.F. government agencies as well as the State Duma, NGOs, and the World Bank. R.F. Minister of Environmental Protection and Natural Resources V.I. Danilov-Danilyan will head the IAC. Supporting the IAC will be a smaller interagency working group which would meet on a more regular basis. The main task of the IAC and the working group will be an analysis of work carried out under the EPT Project, selection (with participation of EPA and other U.S. partners) of the most significant accomplishments, and formulation of recommendations for their replication in other regions of Russia (to include defining the mechanism for their replication). It is expected that both bodies will be operational by July.

The Committee heard a report on the results of three technical assistance projects in the energy efficiency area. Notable here is \$22 million raised from stock shares placed on the New York Stock Exchange on behalf of the regional electricity company for the city of Moscow, Mosenergo, with whom U.S. experts have been working on integrated resources planning. The capital raised will support modernization of Mosenergo power generation facilities that will yield estimated carbon benefits (net reductions) of 100,000 tons/year. The World Bank is moving ahead with a loan for construction of a 900MW gas-fired combined cycle power plant in Krasnodar, the initial concept for which arose from a USAID-funded project carried out by EPA and the National Resources Defense Council. A third project focuses on reductions in coal-bed methane emissions from mines in the Kuzbass region and generation of additional income from the resources saved.

The results of technical assistance over the past year between Minprirody and USAID on problems of environmental liability were reviewed by the Committee. The fundamental principles were addressed in the R.F. Government directive, "On Evaluating Environmental Requirements in Carrying Out the Second Stage of Privatization--Competitive Bidding of Investments." Corresponding normative-methodological documents have been developed by Minprirody. Assuming additional funding can be made available, further cooperation will aim at guidelines for estimating the cost of pre-existing environmental damage and standards for conducting environmental audits. The Committee endorsed continuation of collaboration in this area with greater participation from the U.S. and Russian business communities. To this end, contacts will be arranged between Russian experts on environmental liability and counterparts at the U.S. Council for International Business.

The Russian side tabled a proposal for an environmental information system for the city of Moscow, based on a model of air pollution dispersion. The U.S. side undertook to study the proposal carefully and recommended that the Russian sponsors consider possible linkages with the Volgograd air quality management project of the EPT Project.

## **V. Environmental Health Effects**

USAID/Moscow reported on the results achieved in implementing the Environmental



Health Strategy for the Russian Federation, first presented by the Agency at the June 1995 Committee session. The goal is to improve Russia's capability to address pollution as a public health threat. The Strategy is emphasizing risk assessment and its incorporation into decision-making. Risk assessment methodology is being applied to practical environmental problems in Moscow, Volgograd, Novokuznetsk, and Nizhnii Tagil. Similar efforts are planned for Verkhnedvinsk (near Ekaterinburg), Angarsk, and St. Petersburg. Strengthened NGO involvement in environmental health issues and improved coordination among international donors are also important features of the Strategy. In support of cooperation on risk assessment methodology, EPA reported on "Risk Assistant," an automated data base with latest information on pollutant toxicity, models of pollutant fate and transport in the environment, and human exposure scenarios for risk assessment. A Russian version of "Risk Assistant" is being produced by the Mendeleyev University in Moscow and should be available in the fall of this year.

The Committee discussed cooperative efforts to address the health effects of lead in the environment. With funding from USAID, staff from the U.S. Centers for Disease Control and Russian colleagues are carrying out an epidemiological study of lead exposure among some 600 school children in Saratov. Results of this effort will be made public by the end of this year. Additional funding from USAID is planned to support Russian NGO programs designed to clarify the health risk to children from lead and other heavy metals and to increase public education and awareness of this issue.

Minprirody is organizing preparation of a Report on Lead Contamination of the Environment in the Russian Federation, for presentation to the R.F. Government. The report will contain an analysis of the impact on public health and recommendations for its reduction. This effort is proceeding with the participation of various R.F. ministries and agencies, and with financial support from USAID. This "white paper" process will be completed by the end of November; a joint report will be prepared for presentation at the eighth session of the GCC.

EPA declared its willingness to host this fall (October/November) a delegation, representing Minprirody and other R.F. agencies participating in the "white paper" effort, to share with U.S. government, university, and private sector experts the preliminary findings of the study and to clarify implications for further technological and commercial cooperation. EPA is also prepared to assist with specific technical issues (e.g., economic analyses of legislative approaches to addressing the problem in various countries). It was noted that a report on U.S.-Russian cooperation to reduce lead contamination would contribute to the agenda for the next Environment for Europe ministerial to take place in Denmark in 1998.

The Russian side presented a proposal for cooperation on a data base of concentrations of lead in various elements of the environment in the R.F. U.S. colleagues will review the proposal in the context of the Committee's strategic interest in reducing lead exposure.



## **VI. Environmental Education/Training and Public Participation in Environmental Decision-Making**

The Committee reviewed the proposal agreed upon at the previous Environment for Europe ministerial (Sofia, October 1995) to establish a network of non-governmental environmental centers in various countries of the CIS. At discussions in Geneva, agreement was reached on the basic functions of the centers. At present, the location of the national environmental center in Russia is not yet determined. In September of this year, a meeting of NIS states and the basic donors will take place in Tbilisi under ECE auspices, at which time organizational issues for creating the center will be decided. The Committee noted the need for mutual support and communication on this issue.

Other organizational approaches to environmental education and training are already under way in the framework of specific technical assistance projects. The Environmental Management and Training Center in Yekaterinburg has provided training in risk assessment and environmental policy to specialists from throughout the Urals and elsewhere in Russia. A recently established center in Volgograd will focus primarily on problems of air quality monitoring and management. It is hoped that these centers may become the core of a network of environmental education centers throughout Russia.

The Committee commented favorably on the inventory of primary-school environmental education programs in Russia carried out last year by ISAR with financial support from EPA and the Department of State. The conclusions of the inventory are supportive of the goals of the R.F. government program, "Environmental Education of the Russian Population" established in November 1994. USAID/Moscow plans to provide an additional \$1 million to ISAR for grants to Russian NGOs active in environmental education, information sharing, and policy formulation. ISAR has already electronically linked some 180 environmental NGOs throughout Russia.

The Committee endorsed efforts to energize the activity of Russian non-governmental organizations, which corresponds to the policy of international governmental organizations. In particular, drawing NGOs into the decision-making process is one of the priorities of the EU, which is accepted in Russia as an objective reality and necessity. Though relations between government and non-governmental organizations are regulated by law in the R.F., the role of NGOs on environmental issues varies from region to region.

The American side pointed out that the OECD has endorsed EPA's Toxic Release Inventory (TRI) as a useful tool for achieving voluntary emissions reductions from industrial enterprises, and offered to provide further information on TRI to the Russian side upon request. The Russian co-chair, noting the R.F.'s intention to become a member of the OECD, observed that information of industrial discharges is an important element of the Ministry's annual report on the state of the environment in the R.F. Minprirody hopes to bring all such information together into a central data bank with internationally accepted standards.



## VII. Preparations for GCC-7

The Committee expressed the hope that the aforementioned Joint Statement can be finalized for signature by the Vice President and the Prime Minister at the upcoming GCC session.

The Committee recommends that a special demonstration of the Baikal GIS project be presented to the Vice President and the Prime Minister on the margins of the next GCC session.

The Committee takes note of the international exposition, "Water Ecology and Technology," to be held in Moscow September 17-21, with financial support from U.S. government and international sources.

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Confirmed and signed in Moscow, July 16, 1996, in English and Russian texts of equal authenticity.



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**GCC Environment Committee Meeting**  
**May 29-30, 1996**  
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